

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402  
AUGUSTA, KANSAS**

**FINANCIAL STATEMENT  
JUNE 30, 2015**

*BFR*

---

---

BUSBY FORD & REIMER, LLC

---

---

CERTIFIED PUBLIC ACCOUNTANTS

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**TABLE OF CONTENTS**  
**JUNE 30, 2015**

	<u>Page</u>
Independent Auditors' Report	1 – 3
<b>Financial Statement</b>	
Summary of Cash Receipts, Expenditures, and Unencumbered Cash	4
Notes to Financial Statement	5 – 11
<b>Regulatory Required Supplementary Information</b>	
Summary of Expenditures - Actual and Budget	12
Schedule of Cash Receipts and Expenditures - Actual and Budget	
General Fund	13
Supplemental General Fund	14
At Risk (4 Year Old) Fund	15
At Risk (K-12) Fund	16
Bilingual Education Fund	17
Capital Outlay Fund	18
Driver Training Fund	19
Food Service Fund	20
Professional Development Fund	21
Special Education Fund	22
Vocational Education Fund	23
KPERs Contribution Fund	24
Bond and Interest Fund	25
Special Assessment Fund	26
Schedule of Cash Receipts and Expenditures - Actual	
Federal Funds	27
Gifts & Grants Fund	28
Contingency Reserve Fund	29
Textbook & Student Material Revolving Fund	30
Schedule of Cash Receipts and Expenditures - Capital Projects	31
Schedule of Cash Receipts and Cash Disbursements	
Agency Funds	32 – 34
Schedule of Cash Receipts, Expenditures, and Unencumbered Cash	
District Activity Funds	35
<b>Federal Award Information</b>	
Report On Internal Control Over Financial Reporting And On Compliance	
And Other Matters Based On an Audit of Financial Statements Performed	
In Accordance With <i>Government Auditing Standards</i>	36 – 37
Report On Compliance for Each Major Program; Report On Internal Control	
Over Compliance; And Report on Schedule of Expenditures of Federal	
Awards Required By OMB Circular A-133	38 – 39
Schedule of Expenditures of Federal Awards	40
Notes to Schedule of Expenditures of Federal Awards	41
Schedule of Findings and Questioned Costs	42
Schedule of Prior Year Findings and Questioned Costs	43



---

## BUSBY FORD & REIMER, LLC

---

CERTIFIED PUBLIC ACCOUNTANTS

### INDEPENDENT AUDITORS' REPORT

**Board of Education  
Augusta Unified School District No. 402  
Augusta, Kansas**

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Augusta Unified School District No. 402, Augusta, Kansas**, as of and for the year ended **June 30, 2015** and the related notes to the financial statement.

*Management's Responsibility for the Financial Statement*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Board of Education**  
**Augusta Unified School District No. 402**

*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*

As described in Note 1 of the financial statement, the financial statement is prepared by **Augusta Unified School District No. 402, Augusta, Kansas**, to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

*Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Augusta Unified School District No. 402, Augusta, Kansas**, as of **June 30, 2015**, or changes in financial position and cash flows thereof for the year then ended.

*Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of **Augusta Unified School District No. 402, Augusta, Kansas**, as of **June 30, 2015**, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

*Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual, schedule of regulatory basis cash receipts and expenditures-capital projects, agency funds schedules of regulatory basis cash receipts and disbursements and district activity funds schedules of regulatory basis cash receipts, expenditures and unencumbered cash (Regulatory-Required Supplementary Information as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is also not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement.

**Board of Education  
Augusta Unified School District No. 402**

The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole, on the basis of accounting described in Note 1.

The 2014 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and schedule of regulatory basis cash receipts and expenditures-capital projects (as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2014 basic financial statement upon which we rendered an unmodified opinion dated December 09, 2014. The 2014 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2014 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 basic financial statement. The 2014 comparative information was subjected to the auditing procedures applied in the audit of the 2014 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2014 basic financial statement or to the 2014 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2014 comparative information is fairly stated in all material respects in relation to the 2014 basic financial statement as a whole, on the basis of accounting described in Note 1.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2015, on our consideration of **Augusta Unified School District No. 402, Augusta, Kansas'** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Augusta Unified School District No. 402, Augusta, Kansas'** internal control over financial reporting and compliance.

***Busby Ford & Reimer, LLC***

Busby Ford & Reimer, LLC  
December 10, 2015

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**SUMMARY OF CASH RECEIPTS, EXPENDITURES,**  
**AND UNENCUMBERED CASH**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ 2,907	\$ 68	\$ 12,553,186	\$ 12,556,093	\$ 68	\$ 209,590	\$ 209,658
Special Purpose Funds							
Supplemental General	124,373	40	4,204,479	4,265,279	63,613	18,546	82,159
At Risk (4 Year Old)	0	0	62,079	62,079	0	0	0
At Risk (K-12)	294	23	1,334,809	1,335,103	23	0	23
Bilingual Education	0	0	16,218	16,218	0	0	0
Capital Outlay	2,412,563	11,645	1,117,102	884,747	2,656,563	123,107	2,779,670
Driver Training	58,310	0	35,883	32,872	61,321	75	61,396
Food Service	91,777	0	873,871	842,973	122,675	8	122,683
Professional Development	70,167	0	0	29,583	40,584	25	40,609
Special Education	635,000	0	2,179,835	2,252,181	562,654	0	562,654
Vocational Education	154,140	278	493,683	490,239	157,862	33,874	191,736
KPERS Contribution	0	0	994,314	994,314	0	0	0
Federal Funds	0	0	370,604	370,604	0	16,649	16,649
Gifts and Grants	24,645	25	60,727	40,966	44,431	2,403	46,834
Contingency Reserve	317,649	0	0	0	317,649	0	317,649
Textbook & Student Material							
Revolving	269,166	1,219	265,954	193,111	343,228	104,242	447,470
District Activity Funds	25,979	0	125,071	121,552	29,498	0	29,498
Debt Service Funds							
Bond and Interest	1,861,410	0	3,883,917	2,976,801	2,768,526	0	2,768,526
Special Assessment	101	0	9,807	2,470	7,438	0	7,438
Capital Projects	58,834	133,205	0	9,845	182,194	36,278	218,472
	<u>\$ 6,107,315</u>	<u>\$ 146,503</u>	<u>\$ 28,581,539</u>	<u>\$ 27,477,030</u>	<u>\$ 7,358,327</u>	<u>\$ 544,797</u>	<u>\$ 7,903,124</u>
Composition of Cash:							
Checking Accounts							\$ 732,538
Savings Accounts							7,331,256
Investments							<u>24,334</u>
Agency Funds							8,088,128
							<u>(185,004)</u>
							<u>\$ 7,903,124</u>

The notes to the financial statement are an integral part of this statement.

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2015**

**Note 1 - Summary of Significant Accounting Policies:**

Financial Reporting Entity

**Augusta Unified School District No. 402** is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around Augusta, Kansas. The District is governed by an elected seven-member Board of Education. The District's financial statement includes all funds over which the Board of Education exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

**KMAAG Regulatory Basis of Presentation Fund Definitions:**

**General Fund**-The primary operating fund. Used to account for all unrestricted resources except those required to be accounted for in another fund.

**Special Purpose Funds**-To account for the proceeds of specific receipts (other than major capital projects) that are restricted by law or administrative action to expenditure for specific purposes.

**Capital Projects Fund**-To account for the financial resources segregated for the acquisition or construction of major capital facilities and improvements.

**Debt Service Fund**-To account for the accumulation of resources for and the payment of, interest and principal on general long-term debt.

**Agency Funds**-To account for resources held in a trustee or agency capacity for others which therefore cannot be used to support the government's own programs.

Regulatory Basis of Accounting and Departure from Accounting Principles Generally accepted in the United States of America

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of accounting principles generally accepted in the United States of America and allowing the municipality to use the regulatory basis of accounting.



**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2015**

**Budget and Tax Cycle**

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), and debt service funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no amendments for the year ended June 30, 2015.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital projects funds, trust funds, and the following special purpose funds:

Federal Funds  
Contingency Reserve Fund  
District Activity Funds

Gifts and Grants Fund  
Textbook & Student Material Revolving Fund

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

**Note 2 - In Substance Receipt in Transit:**

The District received \$970,360 subsequent to June 30, 2015, and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2015.



**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2015**

**Note 3 - Defined Benefit Pension Plan:**

Plan Description

The District participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et. seq.* KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 South Kansas Ave., Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERs member-employee contribution rates. Effective July 1, 2009, KPERs has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERs member-employee contribution rate of 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERs according to the provisions of Section 414(h) of the Internal Revenue Code.

The State of Kansas is required to contribute the statutory required employers share.

Net Pension Liability

The total pension liability for KPERs was determined by an actuarial valuation as of December 31, 2013, which was rolled forward to June 30, 2014. As of June 30, 2014, the net pension liability for KPERs was \$8,291,794,910. KPERs has determined the District's proportionate share of the net pension liability is \$15,350,524 as of June 30, 2014. The complete actuarial valuation report including all actuarial assumptions and methods is publically available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described in the first paragraph above.

**Note 4 - Interfund Transactions:**

Operating transfers in accordance with K.S.A. 72-7063 were as follows:

	Transfer to:							Total
	At Risk (4 Year Old)	At Risk (K-12)	Bilingual Education	Capital Outlay	Special Education	Vocational Education	Textbook & Student Material Revolving	
Transfer from:								
General Fund	\$ 62,079	\$ 1,334,809	\$ 16,218	\$ 330,120	\$ 2,039,401	\$ 469,331	\$ 0	\$ 4,251,958
Supplemental	0	0	0	0	140,434	0	80,000	220,434
General Fund	<u>\$ 62,079</u>	<u>\$ 1,334,809</u>	<u>\$ 16,218</u>	<u>\$ 330,120</u>	<u>\$ 2,179,835</u>	<u>\$ 469,331</u>	<u>\$ 80,000</u>	<u>\$ 4,472,392</u>

**Note 5 - Reimbursed Expenses:**

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2015**

**Note 6 - Deposits and Investments:**

As of June 30, 2015, the District had the following investments with maturities of one year or less:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>
Memorial & Scholarships-Mutual Funds	\$ 21,990	N/A

K.S.A. 9-1401 establishes the depositories which may be used by the Government. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

*Concentration of credit risk.* State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk.* State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's allocation of investments as of June 30, 2015, is as follows:

<u>Investment Type</u>	<u>Percentage of Investments</u>
Memorial & Scholarships-Mutual Funds	100%

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2015.

At June 30, 2015, the District's carrying amount of deposits was \$8,063,794 and the bank balance was \$8,942,255. The bank balance is held by two banks. Of the bank balance, \$525,801 was covered by depository insurance, and the remaining \$8,416,454 was collateralized with securities held by the pledging financial institution's agent in the District's name.

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2015**

**Note 7 - Postemployment Benefits:**

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in the financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

The District has adopted an early retirement program. Under the program, a full-time employee must be at least 57 years of age with 15 or more years with the District and 20 or more years of service credit recognized by the Kansas Public Employees Retirement System (KPERS). Benefits under the plan are calculated by the number of years service credit recognized by KPERS plus the number of years the employee was denied participation in KPERS due to part-time employment for such employee multiplied by the largest base salary received during any one of the five years immediately preceding planned retirement, multiplied by, a factor of 0.005. These benefits terminate at the end of the month in which the employee reaches the age of eligibility for being able to retire on a full social security benefit at normal social security retirement age or at death, if sooner.

It is the policy of the District to record these benefits as expenditures when paid. Total expenditures under the program for the year ended June 30, 2015, was \$133,401 for 16 former employees.

**Note 8 - Compensated Absences:**

All permanent full-time employees are eligible for vacation and/or sick leave benefits in varying annual amounts depending on position and length of service.

It is the policy of the District to record vacation and sick leave benefits as expenditures when paid.

**Note 9 - On-Behalf Payments for Fringe Benefits and Salaries:**

The District recognizes as revenues and expenses contributions made by the State of Kansas to the Kansas Public Employees Retirement System (KPERS) on behalf of the District's employees. For the year ended June 30, 2015, the State made contributions of \$994,314. These contributions are recorded in the KPERS Contribution Fund as receipts and expenditures.

**Note 10 - Capital Projects:**

At year-end, capital project authorization compared with expenditures from inception are as follows:

	<u>Project Authorization</u>	<u>Expenditures to Date</u>
School Additions and Improvements	<u>\$51,257,199</u>	<u>\$51,075,005</u>

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2015**

**Note 11 - Contingencies:**

Grant Programs

The District participates in various federal and state grant programs. These grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not materially exceeded commercial insurance coverage in any of the past three years.

**Note 12 - Subsequent Events:**

The District has evaluated subsequent events through December 10, 2015, the date which the financial statement was available to be issued.

**Note 13 - Advance Refunding of Bond Obligation:**

On December 27, 2012, the District issued \$9,570,000 in General Obligation Bonds with interest rates ranging from 2.00 % to 3.00%. Of the issue, \$9,510,490 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on \$8,395,000 of the 2008 Series A General Obligation Bonds. As a result, this portion of the 2008 Series A Bonds is considered defeased and not included in long-term debt as of June 30, 2015.

On April 1, 2013, the District issued \$8,965,000 in General Obligation Bonds with interest rates ranging from 1.50 % to 4.00%. Of the issue, \$9,767,119 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on \$8,515,000 of the 2008 Series A General Obligation Bonds. As a result, this portion of the 2008 Series A Bonds is considered defeased and not included in long-term debt as of June 30, 2015.

On July 15, 2014, the District issued \$4,050,000 in General Obligation Bonds with interest rates ranging from 2.00 % to 3.00%. Of the issue, \$4,122,005 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on \$3,845,000 of the 2008 Series A General Obligation Bonds. As a result, this portion of the 2008 Series A Bonds is considered defeased and not included in long-term debt as of June 30, 2015.

On January 14, 2015, the District issued \$8,620,000 in General Obligation Bonds with an interest rate of 4.00%. Of the issue, \$9,656,946 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on \$8,815,000 of the 2008 Series A General Obligation Bonds. As a result, this portion of the 2008 Series A Bonds is considered defeased and not included in long-term debt as of June 30, 2015.

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2015**

**Note 14 - Long-Term Debt:**

Principal payments are due annually for general obligation bonds. Interest payments are due semi-annually. Principal and interest payments on the capital lease are due quarterly and annually.

Terms for long-term liabilities for the District for the year ended June 30, 2015 were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity
<b>General Obligation Bonds</b>				
2008 Series A	4.00 - 5.25	6/15/08	\$ 48,000,000	9/1/33
2008 Series B	4.95 - 5.25	6/15/08	\$ 1,815,000	9/1/15
2012 Series	2.00 - 3.00	12/27/12	\$ 9,570,000	9/1/32
2013 Series	1.50 - 4.00	4/1/13	\$ 8,965,000	9/1/31
2014 Series	2.00 - 3.00	7/15/14	\$ 4,050,000	9/1/25
2015 Series	4.00	1/14/15	\$ 8,620,000	9/1/28
<b>Capital Lease</b>				
Field Turf - Football	4.099	5/10/11	\$ 400,439	5/12/15
Field Turf - Baseball	3.060	11/6/13	\$ 200,000	11/6/17

Changes in long-term liabilities for the District for the year ended June 30, 2015 were as follows:

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
<b>General Obligation Bonds</b>					
2008 Series A	31,090,000	0	12,660,000	18,430,000	2,323,036
2008 Series B	1,240,000	0	605,000	635,000	48,765
2012 Series	9,570,000	0	0	9,570,000	0
2013 Series	8,965,000	0	0	8,965,000	0
2014 Series	0	4,050,000	0	4,050,000	0
2015 Series	0	8,620,000	0	8,620,000	0
	<u>50,865,000</u>	<u>12,670,000</u>	<u>13,265,000</u>	<u>50,270,000</u>	<u>2,371,801</u>
<b>Capital Lease</b>					
Field Turf - Football	106,314	0	106,314	0	2,738
Field Turf - Baseball	200,000	0	47,763	152,237	6,120
	<u>306,314</u>	<u>0</u>	<u>154,077</u>	<u>152,237</u>	<u>8,858</u>
	<u>\$ 51,171,314</u>	<u>\$ 12,670,000</u>	<u>\$ 13,419,077</u>	<u>\$ 50,422,237</u>	<u>\$ 2,380,659</u>

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	Principal			Interest			Total Principal and Interest
	General Obligation Bonds	Capital Leases	Total Principal	General Obligation Bonds	Capital Leases	Total Interest	
2016	\$ 765,000	\$ 49,224	\$ 814,224	\$ 2,337,105	\$ 4,658	\$ 2,341,763	\$ 3,155,987
2017	910,000	50,730	960,730	2,299,636	3,152	2,302,788	3,263,518
2018	1,060,000	52,283	1,112,283	2,260,236	1,600	2,261,836	3,374,119
2019	1,225,000	0	1,225,000	2,000,963	0	2,000,963	3,225,963
2020	1,625,000	0	1,625,000	1,723,796	0	1,723,796	3,348,796
2021 - 2025	10,640,000	0	10,640,000	7,420,935	0	7,420,935	18,060,935
2026 - 2030	15,960,000	0	15,960,000	5,046,843	0	5,046,843	21,006,843
2031 - 2034	18,085,000	0	18,085,000	1,446,084	0	1,446,084	19,531,084
	<u>\$50,270,000</u>	<u>\$ 152,237</u>	<u>\$50,422,237</u>	<u>\$24,535,598</u>	<u>\$ 9,410</u>	<u>\$24,545,008</u>	<u>\$74,967,245</u>

**REGULATORY REQUIRED  
SUPPLEMENTARY INFORMATION**



**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Fund	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund	\$ 13,149,187	\$ (716,087)	\$ 122,993	\$ 12,556,093	\$ 12,556,093	\$ 0
Special Purpose Funds						
Supplemental General	4,505,441	(240,162)	0	4,265,279	4,265,279	0
At Risk (4 Year Old)	67,500	0	0	67,500	62,079	(5,421)
At Risk (K-12)	1,411,728	0	0	1,411,728	1,335,103	(76,625)
Bilingual Education	24,000	0	0	24,000	16,218	(7,782)
Capital Outlay	2,000,000	0	0	2,000,000	884,747	(1,115,253)
Driver Training	60,000	0	0	60,000	32,872	(27,128)
Food Service	1,031,871	0	0	1,031,871	842,973	(188,898)
Professional Development	40,000	0	0	40,000	29,583	(10,417)
Special Education	2,443,033	0	0	2,443,033	2,252,181	(190,852)
Vocational Education	735,252	0	0	735,252	490,239	(245,013)
KPERS Contribution	1,289,092	0	0	1,289,092	994,314	(294,778)
Federal Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	370,604	XXXXXXXXXX
Gifts and Grants	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	40,966	XXXXXXXXXX
Contingency Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Textbook & Student Material						
Revolving	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	193,111	XXXXXXXXXX
District Activity Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	121,552	XXXXXXXXXX
Debt Service Funds						
Bond and Interest	2,977,301	0	0	2,977,301	2,976,801	(500)
Special Assessment	9,626	0	0	9,626	2,470	(7,156)
Capital Projects	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	9,845	XXXXXXXXXX
	\$ 29,744,031	\$ (956,249)	\$ 122,993	\$ 28,910,775	\$ 27,477,030	\$ (2,169,823)

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

<u>General Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Local Sources	\$ 1,541,266	\$ 122,993	\$ 0	\$ 122,993
State Sources	11,340,747	12,430,193	13,146,281	(716,088)
	<u>12,882,013</u>	<u>12,553,186</u>	<u>\$ 13,146,281</u>	<u>\$ (593,095)</u>
<b>Expenditures</b>				
Instruction	2,950,804	3,303,675	\$ 3,191,015	\$ 112,660
Student Support Services	577,714	579,384	592,985	(13,601)
Instructional Support Staff	387,440	419,473	398,759	20,714
General Administration	616,998	648,377	644,907	3,470
School Administration	1,080,110	1,072,744	1,080,142	(7,398)
Central Services	310,876	287,769	274,029	13,740
Operations & Maintenance	1,890,291	1,671,769	1,989,310	(317,541)
Student Transportation Services	320,558	275,057	339,453	(64,396)
Other Supplemental Services	63,659	45,887	63,710	(17,823)
Architectural & Engineering Service	1,218	0	0	0
Transfers	4,682,495	4,251,958	4,574,877	(322,919)
Adjustment to Comply with Legal Max	0	0	(716,087)	716,087
Adjustment for Qualifying Budget Credits	0	0	122,993	(122,993)
	<u>12,882,163</u>	<u>12,556,093</u>	<u>\$ 12,556,093</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(150)	(2,907)		
Unencumbered Cash, Beginning	151	2,907		
Prior Year Canceled Encumbrances	<u>2,906</u>	<u>68</u>		
Unencumbered Cash, Ending	<u>\$ 2,907</u>	<u>\$ 68</u>		

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

<u>Supplemental General Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
<b>Cash Receipts</b>				
Local Sources	\$ 1,890,016	\$ 1,082,552	\$ 1,020,036	\$ 62,516
County Sources	264,246	293,241	280,662	12,579
State Sources	2,210,988	2,828,686	3,080,370	(251,684)
	<u>4,365,250</u>	<u>4,204,479</u>	<u>\$ 4,381,068</u>	<u>\$ (176,589)</u>
<b>Expenditures</b>				
Instruction	3,814,979	3,797,955	\$ 4,032,299	\$ (234,344)
Instructional Support Staff	7,276	7,072	7,500	(428)
School Administration	8,873	0	9,010	(9,010)
Other Supplemental Services	190,990	192,378	235,998	(43,620)
Operations & Maintenance	44,902	47,440	200	47,240
Transfers	220,434	220,434	220,434	0
Adjustment to Comply with Legal Max	<u>0</u>	<u>0</u>	<u>(240,162)</u>	<u>240,162</u>
	<u>4,287,454</u>	<u>4,265,279</u>	<u>\$ 4,265,279</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	77,796	(60,800)		
Unencumbered Cash, Beginning	46,577	124,373		
Prior Year Canceled Encumbrances	<u>0</u>	<u>40</u>		
Unencumbered Cash, Ending	<u>\$ 124,373</u>	<u>\$ 63,613</u>		

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

<u>At Risk (4 Year Old) Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Transfers	\$ 64,260	\$ 62,079	\$ 67,500	\$ (5,421)
	<u>64,260</u>	<u>62,079</u>	<u>\$ 67,500</u>	<u>\$ (5,421)</u>
Expenditures				
Instruction	63,026	60,306	\$ 65,650	\$ (5,344)
Instruction Support Staff	1,234	471	500	(29)
Other Supplemental Services	<u>0</u>	<u>1,302</u>	<u>1,350</u>	<u>(48)</u>
	<u>64,260</u>	<u>62,079</u>	<u>\$ 67,500</u>	<u>\$ (5,421)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**

**FOR THE YEAR ENDED JUNE 30, 2015**

**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

<u>At Risk (K-12) Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources	\$ 0	\$ 0	\$ 20,000	\$ (20,000)
Transfers	1,427,736	1,334,809	1,391,434	(56,625)
	<u>1,427,736</u>	<u>1,334,809</u>	<u>\$ 1,411,434</u>	<u>\$ (76,625)</u>
Expenditures				
Instruction	1,425,313	1,334,296	\$ 1,409,304	\$ (75,008)
Student Support Services	1,724	807	1,724	(917)
Instructional Support Staff	699	0	700	(700)
	<u>1,427,736</u>	<u>1,335,103</u>	<u>\$ 1,411,728</u>	<u>\$ (76,625)</u>
Receipts Over (Under) Expenditures	0	(294)		
Unencumbered Cash, Beginning	0	294		
Prior Year Canceled Encumbrances	<u>294</u>	<u>23</u>		
Unencumbered Cash, Ending	<u>\$ 294</u>	<u>\$ 23</u>		

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**

**FOR THE YEAR ENDED JUNE 30, 2015**

**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

<u>Bilingual Education Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Transfers	\$ 20,339	\$ 16,218	\$ 24,000	\$ (7,782)
	<u>20,339</u>	<u>16,218</u>	<u>\$ 24,000</u>	<u>\$ (7,782)</u>
Expenditures				
Instruction	20,339	16,218	\$ 24,000	\$ (7,782)
	<u>20,339</u>	<u>16,218</u>	<u>\$ 24,000</u>	<u>\$ (7,782)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		



**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

<u>Capital Outlay Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources	\$ 331,503	\$ 550,179	\$ 523,346	\$ 26,833
County Sources	47,761	44,978	41,962	3,016
State Sources	0	191,825	268,373	(76,548)
Transfers	313,149	330,120	320,486	9,634
	<u>692,413</u>	<u>1,117,102</u>	<u>\$ 1,154,167</u>	<u>\$ (37,065)</u>
Expenditures				
Instruction	32,297	125,640	\$ 550,000	\$ (424,360)
Student Support Services	10,764	0	100,000	(100,000)
Instructional Support Services	18,933	17,566	100,000	(82,414)
General Administration	0	13,670	25,000	(11,330)
School Administration	0	2,683	0	2,683
Central Services	0	0	80,000	(80,000)
Operations & Maintenance	140,914	346,799	825,000	(478,201)
Transportation	100,800	44,063	80,000	(35,937)
Other Support Services	0	116,608	50,000	66,608
Facility Acquisition & Construction Services	173,461	217,698	190,000	27,698
	<u>477,169</u>	<u>884,747</u>	<u>\$ 2,000,000</u>	<u>\$ (1,115,253)</u>
Receipts Over (Under) Expenditures	215,244	232,355		
Unencumbered Cash, Beginning	2,194,012	2,412,563		
Prior Year Canceled Encumbrances	<u>3,307</u>	<u>11,645</u>		
Unencumbered Cash, Ending	<u>\$ 2,412,563</u>	<u>\$ 2,656,563</u>		

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

<u>Driver Training Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources	\$ 23,034	\$ 25,374	\$ 24,000	\$ 1,374
State Sources	9,860	10,509	9,775	734
	<u>32,894</u>	<u>35,883</u>	<u>\$ 33,775</u>	<u>\$ 2,108</u>
Expenditures				
Instruction	22,863	26,486	\$ 56,000	\$ (29,514)
Vehicle Operations, Maintenance Services	2,156	6,386	4,000	2,386
	<u>25,019</u>	<u>32,872</u>	<u>\$ 60,000</u>	<u>\$ (27,128)</u>
Receipts Over (Under) Expenditures	7,875	3,011		
Unencumbered Cash, Beginning	50,435	58,310		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 58,310</u>	<u>\$ 61,321</u>		

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

<u>Food Service Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources	\$ 383,675	\$ 368,303	\$ 430,668	\$ (62,365)
State Sources	9,903	9,428	8,906	522
Federal Sources	<u>488,257</u>	<u>496,140</u>	<u>500,520</u>	<u>(4,380)</u>
	<u>881,835</u>	<u>873,871</u>	<u>\$ 940,094</u>	<u>\$ (66,223)</u>
Expenditures				
Operations & Maintenance	0	6,025	\$ 0	\$ 6,025
Food Service Operation	<u>854,896</u>	<u>836,948</u>	<u>1,031,871</u>	<u>(194,923)</u>
	<u>854,896</u>	<u>842,973</u>	<u>\$ 1,031,871</u>	<u>\$ (188,898)</u>
Receipts Over (Under) Expenditures	26,939	30,898		
Unencumbered Cash, Beginning	64,838	91,777		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 91,777</u>	<u>\$ 122,675</u>		

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

<u>Professional Development Fund</u>	Current Year			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 0	\$ 0	\$ 0	\$ 0
Transfers	91,022	0	0	0
	<u>91,022</u>	<u>0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures				
Instructional Support Staff	23,627	29,583	\$ 40,000	\$ (10,417)
	<u>23,627</u>	<u>29,583</u>	<u>\$ 40,000</u>	<u>\$ (10,417)</u>
Receipts Over (Under) Expenditures	67,395	(29,583)		
Unencumbered Cash, Beginning	1,392	70,167		
Prior Year Canceled Encumbrances	<u>1,380</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 70,167</u>	<u>\$ 40,584</u>		

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

<u>Special Education Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Transfers	<u>\$ 2,350,970</u>	<u>\$ 2,179,835</u>	<u>\$ 2,370,891</u>	<u>\$ (191,056)</u>
	<u>2,350,970</u>	<u>2,179,835</u>	<u>\$ 2,370,891</u>	<u>\$ (191,056)</u>
Expenditures				
Instruction	2,164,906	2,071,927	\$ 2,245,559	\$ (173,632)
Student Transportation Services	<u>187,020</u>	<u>180,254</u>	<u>197,474</u>	<u>(17,220)</u>
	<u>2,351,926</u>	<u>2,252,181</u>	<u>\$ 2,443,033</u>	<u>\$ (190,852)</u>
Receipts Over (Under) Expenditures	(956)	(72,346)		
Unencumbered Cash, Beginning	635,956	635,000		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 635,000</u>	<u>\$ 562,654</u>		

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

<u>Vocational Education Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 0	\$ 0	\$ 10,000	\$ (10,000)
State Sources	0	4,515	13,775	(9,260)
Federal Sources	17,277	19,837	16,337	3,500
Transfers	555,453	469,331	541,000	(71,669)
	<u>572,730</u>	<u>493,683</u>	<u>\$ 581,112</u>	<u>\$ (87,429)</u>
Expenditures				
Instruction	478,721	466,302	\$ 701,217	\$ (234,915)
Instructional Support Staff	26,105	23,937	34,035	(10,098)
	<u>504,826</u>	<u>490,239</u>	<u>\$ 735,252</u>	<u>\$ (245,013)</u>
Receipts Over (Under) Expenditures	67,904	3,444		
Unencumbered Cash, Beginning	86,114	154,140		
Prior Year Canceled Encumbrances	<u>122</u>	<u>278</u>		
Unencumbered Cash, Ending	<u>\$ 154,140</u>	<u>\$ 157,862</u>		



**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

<u>KPERS Contribution Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
State Sources	\$ 1,101,788	\$ 994,314	\$ 1,289,092	\$ (294,778)
	<u>1,101,788</u>	<u>994,314</u>	<u>\$ 1,289,092</u>	<u>\$ (294,778)</u>
Expenditures				
Instruction	750,536	673,231	\$ 872,819	\$ (199,588)
Student Support Services	45,474	45,507	58,999	(13,492)
Instructional Support Staff	31,576	29,903	38,768	(8,865)
General Administration	31,443	24,876	32,250	(7,374)
School Administration	89,987	81,189	105,259	(24,070)
Central Services	38,507	31,780	41,202	(9,422)
Operations & Maintenance	81,407	73,285	95,011	(21,726)
Student Transportation Services	30,100	27,600	35,783	(8,183)
Other Supplemental Services	0	4,526	5,868	(1,342)
Food Service Operation	2,758	2,417	3,133	(716)
	<u>1,101,788</u>	<u>994,314</u>	<u>\$ 1,289,092</u>	<u>\$ (294,778)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

<u>Bond and Interest Fund</u>	Prior Year	<u>Current Year</u>		Variance -
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>
Cash Receipts				
Local Sources	\$ 1,437,165	\$ 2,034,888	\$ 1,963,443	\$ 71,445
County Sources	217,203	241,556	229,370	12,186
State Sources	1,517,995	1,607,473	1,607,473	0
	<u>3,172,363</u>	<u>3,883,917</u>	<u>\$ 3,800,286</u>	<u>\$ 83,631</u>
Expenditures				
Debt Service	<u>2,976,460</u>	<u>2,976,801</u>	<u>\$ 2,977,301</u>	<u>\$ (500)</u>
	<u>2,976,460</u>	<u>2,976,801</u>	<u>\$ 2,977,301</u>	<u>\$ (500)</u>
Receipts Over (Under) Expenditures	195,903	907,116		
Unencumbered Cash, Beginning	1,665,507	1,861,410		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 1,861,410</u>	<u>\$ 2,768,526</u>		

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

<u>Special Assessment Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources	\$ 101	\$ 9,807	\$ 9,572	\$ 235
	<u>101</u>	<u>9,807</u>	<u>\$ 9,572</u>	<u>\$ 235</u>
Expenditures				
Facilities Acquisition	1,165	2,470	\$ 9,626	\$ (7,156)
	<u>1,165</u>	<u>2,470</u>	<u>\$ 9,626</u>	<u>\$ (7,156)</u>
Receipts Over (Under) Expenditures	(1,064)	7,337		
Unencumbered Cash, Beginning	1,165	101		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 101</u>	<u>\$ 7,438</u>		

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

<u>Federal Funds</u>		
	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources	\$ 362,194	\$ 370,604
	<u>362,194</u>	<u>370,604</u>
Expenditures		
Instruction	362,194	370,604
	<u>362,194</u>	<u>370,604</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	0	0
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

Gifts and Grants Fund

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Local Sources	\$ 34,897	\$ 60,727
	<u>34,897</u>	<u>60,727</u>
Expenditures		
Instruction Support Staff	26,826	40,966
	<u>26,826</u>	<u>40,966</u>
Receipts Over (Under) Expenditures	8,071	19,761
Unencumbered Cash, Beginning	16,574	24,645
Prior Year Canceled Encumbrances	<u>0</u>	<u>25</u>
Unencumbered Cash, Ending	<u>\$ 24,645</u>	<u>\$ 44,431</u>

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

Contingency Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	\$ 0	\$ 0
	<u>0</u>	<u>0</u>
Expenditures		
Instruction	235,631	0
	<u>235,631</u>	<u>0</u>
Receipts Over (Under) Expenditures	(235,631)	0
Unencumbered Cash, Beginning	553,280	317,649
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 317,649</u>	<u>\$ 317,649</u>



**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

Textbook & Student Material Revolving Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 178,622	\$ 185,954
Transfers	80,000	80,000
	<u>258,622</u>	<u>265,954</u>
Expenditures		
Instruction	417,575	106,662
Student Support Services	68,075	86,449
	<u>485,650</u>	<u>193,111</u>
Receipts Over (Under) Expenditures	(227,028)	72,843
Unencumbered Cash, Beginning	481,569	269,166
Prior Year Canceled Encumbrances	<u>14,625</u>	<u>1,219</u>
Unencumbered Cash, Ending	<u>\$ 269,166</u>	<u>\$ 343,228</u>

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - CAPITAL PROJECTS**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)**

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources	\$ 0	\$ 0
	<u>0</u>	<u>0</u>
Expenditures		
Facility Acquisition & Construction	478,936	9,845
	<u>478,936</u>	<u>9,845</u>
Receipts Over (Under) Expenditures	(478,936)	(9,845)
Unencumbered Cash, Beginning	232,228	58,834
Prior Year Canceled Encumbrances	<u>305,542</u>	<u>133,205</u>
Unencumbered Cash, Ending	<u>\$ 58,834</u>	<u>\$ 182,194</u>

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**AGENCY FUNDS**  
**SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Fund	Beginning Cash		Cash		Ending Cash
	Balance	Cash Receipts	Disbursements	Balance	
Student Organizations					
AHS General	\$ 1,646	\$ 15,318	\$ 12,571	\$ 4,393	
AHS Band	4,578	10,807	12,778	2,607	
AHS Scholars Bowl	401	105	370	136	
AHS Flag Corp	2,081	2,799	3,216	1,664	
AHS Forensics	320	4,974	3,727	1,567	
AHS Library	2,277	0	65	2,212	
AHS Music	27	0	0	27	
AHS Drama	5,486	7,328	4,966	7,848	
AHS Vocal Music	2,977	4,442	5,668	1,751	
AHS Vocal Music Spec. Acct	533	0	0	533	
AHS Varsity Athletic Club	177	0	0	177	
AHS Spirit Club	274	0	62	212	
AHS Art Club	4,893	100	190	4,803	
AHS French Club	351	0	0	351	
AHS Family/Career/Comm	407	404	613	198	
AHS FACS	7	1,307	787	527	
AHS National Honor Society	850	2,571	2,809	612	
AHS Spanish Club	2,869	384	706	2,547	
AHS Youth Entrepreneurs	150	0	50	100	
AHS Oriole Store	136	0	0	136	
AHS Concessions	764	26,480	23,457	3,787	
AHS STUCO Activities	657	3,735	3,256	1,136	
AHS In House Training	919	0	97	822	
AHS FBLA Future Business	0	958	521	437	
AHS Advanced Placement	452	0	0	452	
AHS SADD	7,788	5,760	1,720	11,828	
AHS Renaissance Program	94	420	394	120	
AHS Skills USA VICA	4,829	6,704	5,806	5,727	
AHS Future Educators	73	325	80	318	
AHS School Newspaper	136	0	0	136	
AHS Yearbook	7,590	14,834	16,319	6,105	
AHS Journalism Trip	2,640	3,075	5,665	50	
AHS Computer Fund	125	0	0	125	
AHS Dance Team	891	8,011	8,708	194	
AHS Weightlifting	286	0	0	286	
AHS Powerlifting	315	0	0	315	
Class of 1991	3	0	0	3	
Class of 2004	499	0	499	0	
Class of 2007	2,335	0	0	2,335	
Class of 2008	2,241	0	0	2,241	
Class of 2009	100	0	0	100	
Class of 2010	4,859	0	0	4,859	
Class of 2011	1,919	0	0	1,919	
Class of 2012	3,512	0	0	3,512	
Class of 2013	1,155	0	0	1,155	
Class of 2014	1,257	0	0	1,257	
Class of 2015	954	60	514	500	
Class of 2016	2,070	6,986	8,183	873	
Class of 2017	596	2,460	0	3,056	
Class of 2018	0	727	0	727	
	<u>79,499</u>	<u>131,074</u>	<u>123,797</u>	<u>86,776</u>	

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**AGENCY FUNDS**  
**SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Beginning Cash		Cash		Ending Cash
Fund	Balance	Cash Receipts	Disbursements	Balance	
Student Organizations (Continued)					
Max Hendrickson	\$ 145	\$ 0	\$ 0	\$ 145	
AHS Baseball Fundraiser	24	1,746	1,716	54	
Girls Soccer Fundraiser	687	4,539	4,009	1,217	
Soccer Fundraiser	356	0	0	356	
Volleyball	433	2,988	3,028	393	
AHS Football Fundraiser	1,053	14,998	9,284	6,767	
AHS Wrestling	532	4,674	4,805	401	
AHS Softball Fundraiser	84	6,986	4,690	2,380	
Bowling	240	0	0	240	
Boys Golf Fundraiser	198	960	633	525	
Girls Golf Fundraiser	8	245	179	74	
Boys Basketball Fundraiser	756	1,960	1,955	761	
Girls Basketball Fundraiser	1,342	3,625	4,151	816	
AHS Athletic Trainers	16	0	0	16	
AHS Cheerleaders	2,410	13,856	13,531	2,735	
AHS Summer Weight Pgrm	2,165	3,650	1,932	3,883	
AMS General	2,341	2,547	2,703	2,185	
AMS Academics	2,761	475	1,135	2,101	
AMS Gifted	79	0	0	79	
AMS Band	4,027	1,594	943	4,678	
AMS Library	500	1,330	1,594	236	
AMS Reading Program	0	2,230	1,532	698	
AMS National Jr. Honor Society	438	501	286	653	
AMS Vocal Music	942	633	811	764	
AMS Yearbook	7,702	5,899	8,803	4,798	
AMS Builders Club	262	0	0	262	
AMS 6th Grade Fundraising	11	7,916	7,688	239	
AMS Graphics	159	471	563	67	
AMS Stuco	5,529	8,747	9,027	5,249	
AMS 7th Grade Science	406	0	0	406	
AMS Science Olympiad	728	283	396	615	
AMS Science Bowl	0	362	177	185	
AMS EMH Class	230	1,366	1,014	582	
AMS Physical Ed. Activity	146	3,305	3,248	203	
AMS SADD	411	0	0	411	
AMS Cheerleaders	75	10,077	5,986	4,166	
AMS Volleyball	295	2,636	2,341	590	
AMS Wrestling	32	932	817	147	
AMS Football	171	0	0	171	
AMS Girls Basketball	12	266	0	278	
AMS Boys Basketball	82	0	0	82	
AMS Track	138	0	26	112	
	37,926	111,797	99,003	50,720	

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**AGENCY FUNDS**  
**SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Fund	Beginning Cash		Cash		Ending Cash
	Balance	Cash Receipts	Disbursements	Balance	
<b>Student Organizations (Continued)</b>					
Ewalt General	\$ 906	\$ 2,739	\$ 2,885	\$ 760	
Ewalt Library	689	174	274	589	
Ewalt Yearbook	299	3,503	3,566	236	
Ewalt Student Council	388	1,688	1,542	534	
Ewalt Concessions Fundraiser	0	2,079	360	1,719	
Garfield General	625	3,645	2,571	1,699	
Garfield Early Childhood	8	0	0	8	
Garfield Library	5,030	969	3,763	2,236	
Garfield Stuco	31	0	0	31	
Garfield Owl's	7	0	0	7	
Garfield Vocal Music	84	0	0	84	
Lincoln General	3,276	4,526	3,953	3,849	
Lincoln Library	678	2,395	233	2,840	
Robinson General	802	762	272	1,292	
Robinson Green Team	0	1,231	1,162	69	
Robinson Library	3,312	1,339	4,220	431	
Meet the Author	4,957	1,666	1,934	4,689	
	<u>21,092</u>	<u>26,716</u>	<u>26,735</u>	<u>21,073</u>	
<b>Memorials &amp; Scholarships</b>					
Rodney Wheeler Scholarship	6,240	0	24	6,216	
J.C. Hutter Scholarship	10,558	457	540	10,475	
Jacque Hoefgen Grant	6,645	168	500	6,313	
Leslie Tharp Spanish Club Schlp	234	0	234	0	
Jeanette McDaniel Scholarship	2,691	139	0	2,830	
Ron Baugher	350	500	350	500	
	<u>26,718</u>	<u>1,264</u>	<u>1,648</u>	<u>26,334</u>	
<b>Other</b>					
Bank Charges/Interest	30	25	15	40	
Sales Tax	9	19,061	19,009	61	
	<u>39</u>	<u>19,086</u>	<u>19,024</u>	<u>101</u>	
<b>Total Agency Funds</b>	<u>\$ 165,274</u>	<u>\$ 289,937</u>	<u>\$ 270,207</u>	<u>\$ 185,004</u>	

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402  
DISTRICT ACTIVITY FUNDS  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,  
AND UNENCUMBERED CASH  
REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2015

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add		Ending Cash Balance
						Encumbrances and Accounts Payable		
Gate Receipts								
Augusta High School	\$ 16,185	\$ 0	\$ 76,232	\$ 86,335	\$ 6,082	\$ 0	\$ 0	\$ 6,082
Augusta High School Special	7,591	0	32,760	20,434	19,917	0	0	19,917
Augusta Middle School	2,203	0	16,079	14,783	3,499	0	0	3,499
Total District Activity Funds	<u>\$ 25,979</u>	<u>\$ 0</u>	<u>\$ 125,071</u>	<u>\$ 121,552</u>	<u>\$ 29,498</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 29,498</u>

## FEDERAL AWARD INFORMATION



---

# BUSBY FORD & REIMER, LLC

---

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITORS' REPORT**

**Board of Education  
Augusta Unified School District No. 402  
Augusta, Kansas**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of **Augusta Unified School District No. 402, Augusta, Kansas**, as of and for the year ended **June 30, 2015**, and the related notes to the financial statement, which collectively comprise **Augusta Unified School District No. 402, Augusta, Kansas'** basic financial statement, and have issued our report thereon dated December 10, 2015. In our report, our opinion on the financial statement was unmodified based on the prescribed basis of accounting that demonstrates compliance with the *Kansas Municipal Audit and Accounting Guide* which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered **Augusta Unified School District No. 402, Augusta, Kansas'** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of **Augusta Unified School District No. 402, Augusta, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Augusta Unified School District No. 402, Augusta, Kansas'** internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



**Board of Education  
Augusta Unified School District No. 402**

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether **Augusta Unified School District No. 402, Augusta, Kansas'** financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***Busby Ford & Reimer, LLC***

Busby Ford & Reimer, LLC  
December 10, 2015



---

## BUSBY FORD & REIMER, LLC

---

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL  
CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

**INDEPENDENT AUDITORS' REPORT**

**Board of Education**

**Augusta Unified School District No. 402**

**Augusta, Kansas**

Report on Compliance for Each Major Federal Program

We have audited **Augusta Unified School District No. 402, Augusta, Kansas'** compliance with the types of compliance requirements described in the *OMB Circular A-133, Compliance Supplement* that could have a direct and material effect on each of **Augusta Unified School District No. 402, Augusta, Kansas'** major federal programs for the year ended **June 30, 2015**. **Augusta Unified School District No. 402, Augusta, Kansas'** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of **Augusta Unified School District No. 402, Augusta, Kansas'** major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **Augusta Unified School District No. 402, Augusta, Kansas'** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of **Augusta Unified School District No. 402, Augusta, Kansas'** compliance.

**Board of Education  
Augusta Unified School District No. 402**

Opinion on Each Major Federal Program

In our opinion, **Augusta Unified School District No. 402, Augusta, Kansas** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended **June 30, 2015**.

Report on Internal Control Over Compliance

Management of **Augusta Unified School District No. 402, Augusta, Kansas** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered **Augusta Unified School District No. 402, Augusta, Kansas'** internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance on each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **Augusta Unified School District No. 402, Augusta, Kansas'** internal control over compliance.

*A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.*

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weakness may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

***Busby Ford & Reimer, LLC***

Busby Ford & Reimer, LLC  
December 10, 2015

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

Grant Title	Federal CFDA No.	Program Amount	Unencumbered		Unencumbered	
			Cash 7-1-14	Receipts	Expenditures	Cash 6-30-15
(Passes Through Kansas Department of Education)						
Department of Agriculture						
Child Nutrition Cluster-Cluster						
School Breakfast Program	10.553	\$ 83,507				
National School Lunch Program	10.555	412,633				
		<u>496,140</u>	<u>\$ 0</u>	<u>\$ 496,140</u>	<u>\$ 496,140</u>	<u>\$ 0</u>
Department of Education						
Title I Grants to Local Educational Agencies	84.010	294,786	0	294,786	294,786	0
Career and Technical Education-Basic Grants to States	84.048	19,837	0	19,837	19,837	0
Improving Teacher Quality State Grants	84.367	75,818	0	75,818	75,818	0
		<u>390,441</u>	<u>0</u>	<u>390,441</u>	<u>390,441</u>	<u>0</u>
Total Federal Awards		<u>\$ 886,581</u>	<u>\$ 0</u>	<u>\$ 886,581</u>	<u>\$ 886,581</u>	<u>\$ 0</u>

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2015**

**Note 1 - Basis of Presentation:**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Augusta Unified School District No. 402, Augusta, Kansas**, and is prepared on the basis of accounting as described in Note 1 of the notes to the financial statement. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**SUMMARY OF AUDIT RESULTS**

1. The independent auditors' report expresses an unmodified opinion on the financial statement of **Augusta Unified School District No. 402, Augusta, Kansas**.
2. No significant deficiencies or material weaknesses were reported in the Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statement of **Augusta Unified School District No. 402, Augusta, Kansas**, were disclosed during the audit.
4. No significant deficiencies or material weakness were reported in the Report Of Compliance for Each Major Program; Report On Internal Control Over Compliance; And Report on Schedule of Expenditures of Federal Awards Required By OMB Circular A-133.
5. The independent auditors' report on compliance for the major federal award programs for **Augusta Unified School District No. 402, Augusta, Kansas**, expresses an unmodified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for **Augusta Unified School District No. 402, Augusta, Kansas**.
7. The programs tested as major programs were:

Child Nutrition Cluster-Cluster	
School Breakfast Program	10.553
National School Lunch Program	10.555
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. **Augusta Unified School District No. 402, Augusta, Kansas**, was determined not to be a low-risk auditee.

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2015**

There are no prior audit findings.